



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 29, 2014

CERTIFIED RETURN RECEIPT  
7011 2970 0001 8829 0087

Bruce Evans  
Nephi Sandstone Corporation  
1250 North 200 West  
P. O. Box 137  
Nephi, Utah 84648

Subject: Notice of Cancellation/Termination of Reclamation Surety, Bond Number [REDACTED], Nephi Sandstone Corporation, Cedar Springs Mine, M/023/0059, Juab County, Utah

Dear Mr. Evans:

The Division of Oil, Gas and Mining (Division) was notified that the surety bond for the Cedar Springs mine, permit number M/023/0059, will be cancelled effective October 12, 2014. The terms of the surety state that the bond may be cancelled by the surety ninety (90) days following receipt by the Division and principal of such cancellation.

Paragraph 5 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice. If you fail to provide a replacement surety by September 12, 2014, the Division will be forced to do any/some of the following:

- Carry out the terms of surety bond number [REDACTED]
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations which will include a civil penalty
- Order immediate reclamation of all lands affected

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or by email at pennyberry@utah.gov. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Paul Baker  
Minerals Program Manager

PBB:pb

Cc: Sylvia Carroll, Travelers

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